

Q3 2024

SOUTH PUGET SOUND HEALTHCARE INSIGHTS

TABLE OF CONTENTS

01 MARKET TAKEAWAYS

02 RENTON/TUKWILA

03 FEDERAL WAY/AUBURN

04 TACOMA

05 PUYALLUP

06 OLYMPIA/LACEY

07 TEAM OVERVIEW

Prepared by

WILL FRAME

Executive Vice President
253.722.1412
will.frame@kidder.com

DREW FRAME

Senior Vice President
253.722.1433
drew.frame@kidder.com

KIDDER.COM

This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty, or guarantee, expressed or implied as to its accuracy.



EXPANSION HEADS TO THE SUBURBS AS GROUPS FOCUS ON “ROOFTOPS”

SOUTH PUGET SOUND Q3 INSIGHTS

TOTAL SF	8,797,730
VACANCY	3.46%
VACANT SF	304,453
AVERAGE CLASS A ASKING RENT PSF NNN	\$32.00
AVERAGE CLASS B ASKING RENT PSF NNN	\$23.00
AVERAGE MONTHS TO LEASE	6-9 Months
AVERAGE MARKET SALE PRICE PSF	\$290.00 PSF
AVERAGE MARKET CAP RATE	6.75%
AVERAGE MONTHS TO SALE	3 - 6 Months

Secondary and Tertiary markets continue to see attention from healthcare groups. They are prioritizing proximity to residential, especially single-family homes. Services in these areas are lacking as small submarkets turn into major towns and cities, creating an opportunity for healthcare groups.

Healthcare groups now assess a market similar to a retail tenant. Proximity to residential with a focus on correctly serving their targeted demographic. What positive effects will this have?

- Most importantly, the small markets are being provided with services they previously did not have access to.
- More services provided to an area allows for the totality of the market to improve. Families can now relocate to a new area because services they need or covet are now available.
- Expansion means more jobs. New doctors, nurses and staff enter the workforce every year, with new openings comes more opportunity. Small markets also have a lower cost of living, allowing for an easier barrier to entry for employees.
- From a real estate perspective, healthcare is one of the highest valued real estate in the country. High quality healthcare tenants in a market give the entire area an increase in value and credibility. Paving the path for more opportunity in other product types.

FEATURED LISTINGS



ALLENMORE TERRACE

3315 S 23rd St
Tacoma, WA

LEASE



MILGARD MEDICAL PAVILION

11511 Canterwood Blvd NW
Gig Harbor, WA

LEASE

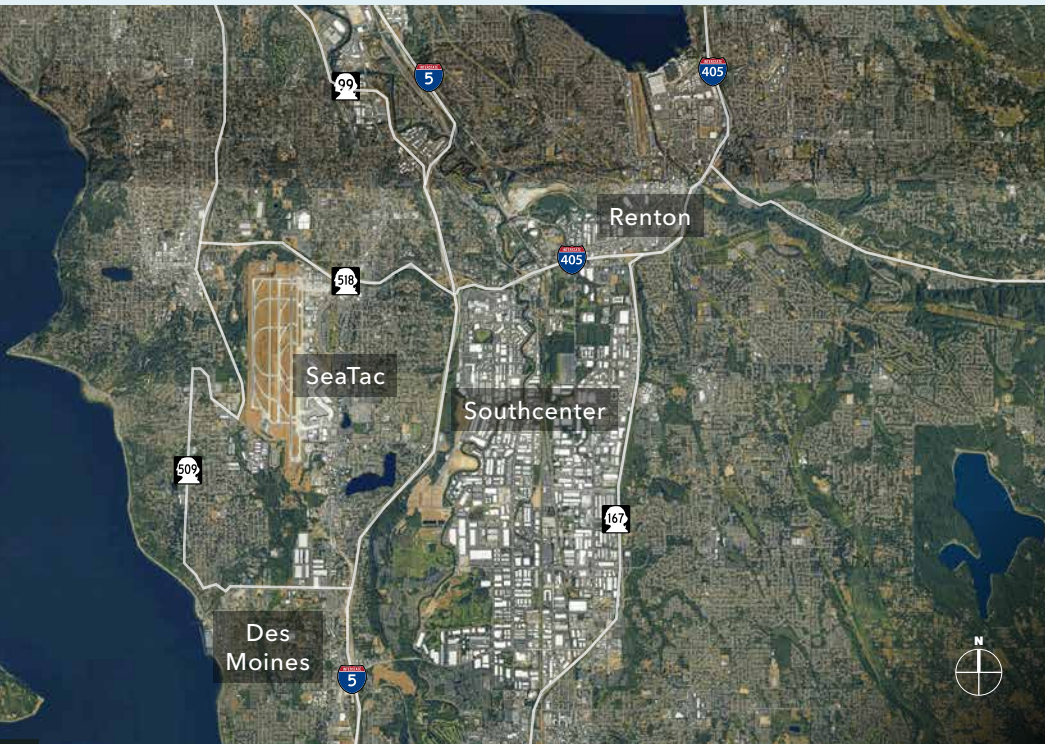


TACOMA MEDICAL CENTER

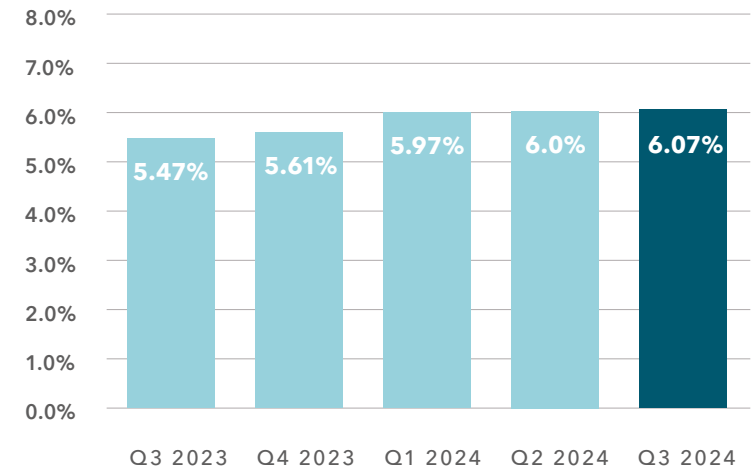
1112 S 6th Ave
Tacoma, WA

LEASE

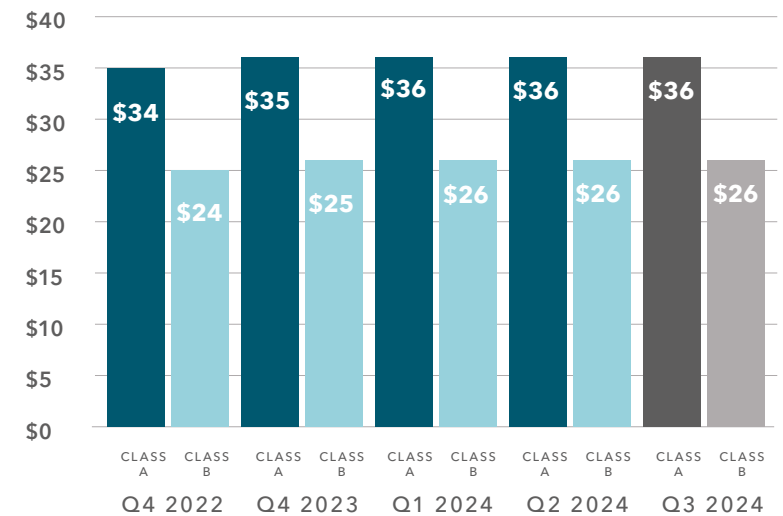
1.9M INVENTORY SF	114,474 VACANT SF	0.00% ANNUAL RENT GROWTH
6.07% VACANCY RATE	6.75% MARKET CAP RATE	\$324 MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



840K

INVENTORY SF

34,948

VACANT SF

3.23%

ANNUAL RENT
GROWTH

4.16%

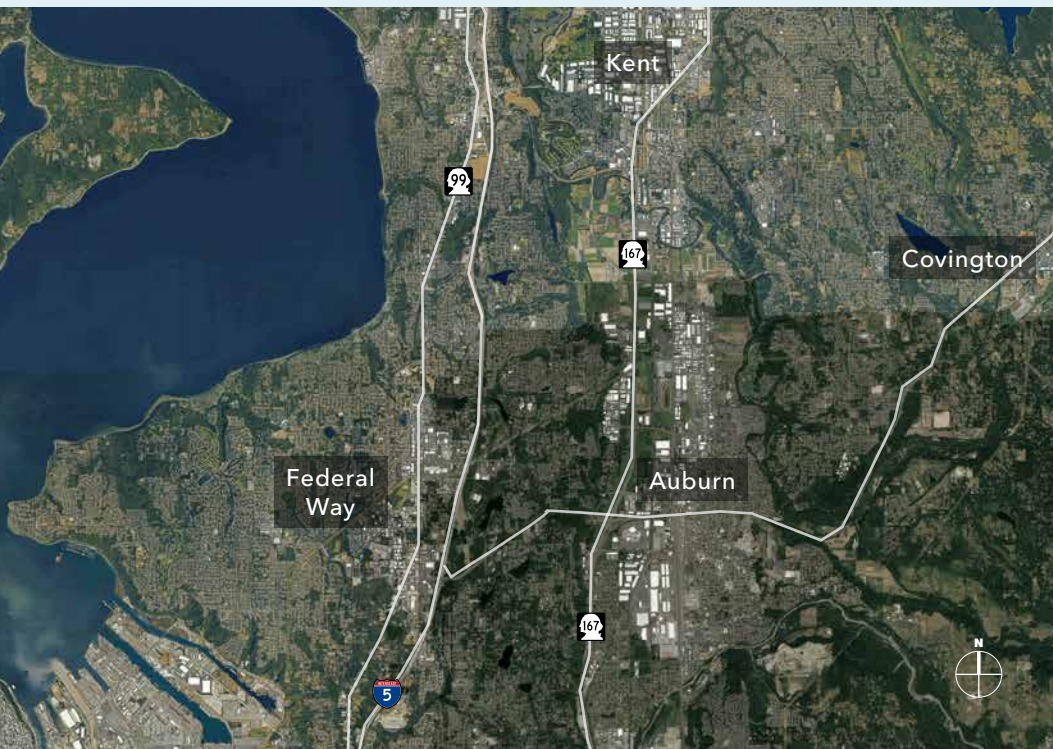
VACANCY RATE

6.75%

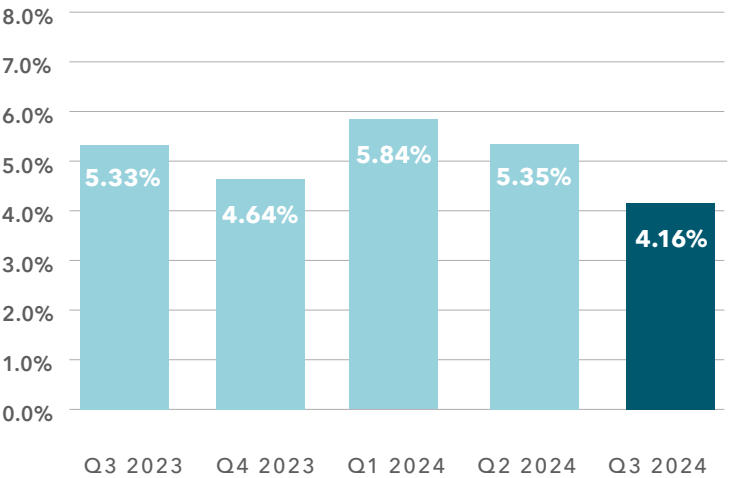
MARKET CAP RATE

\$235

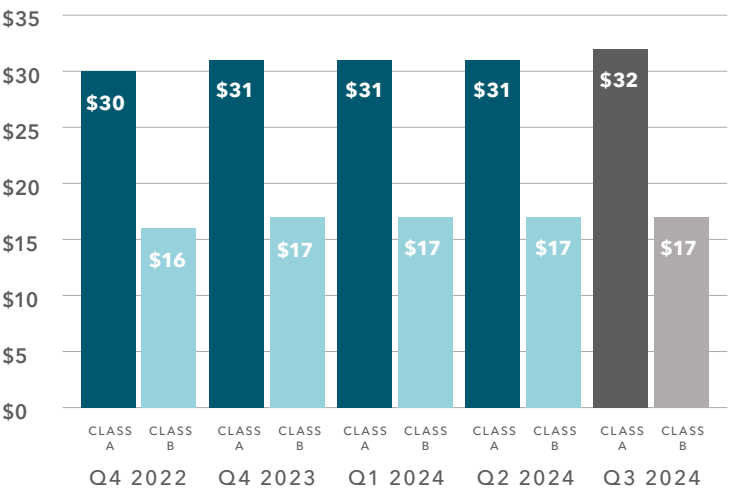
MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



TACOMA

3.6M

INVENTORY SF

70,949

VACANT SF

6.25%

ANNUAL RENT
GROWTH

1.97%

VACANCY RATE

6.50%

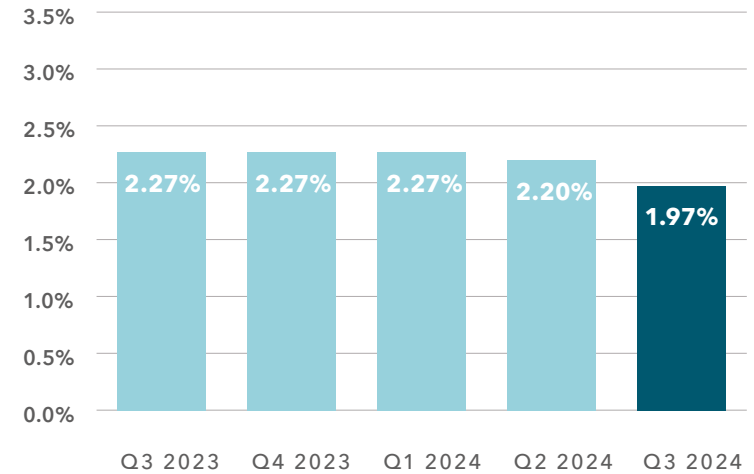
MARKET CAP RATE

\$315

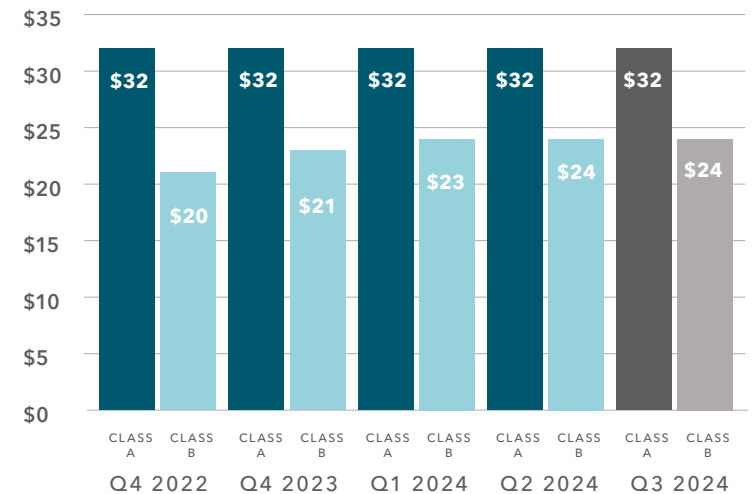
MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



1.3M

INVENTORY SF

59,914

VACANT SF

6.25%

ANNUAL RENT
GROWTH

4.56%

VACANCY RATE

8.20%

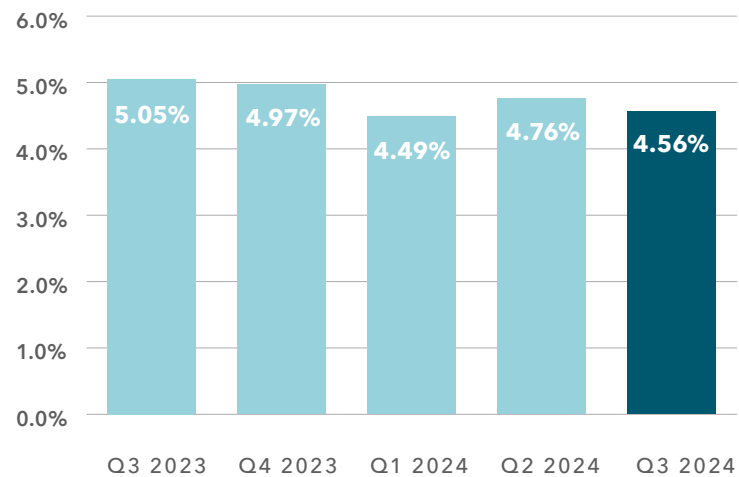
MARKET CAP RATE

\$320

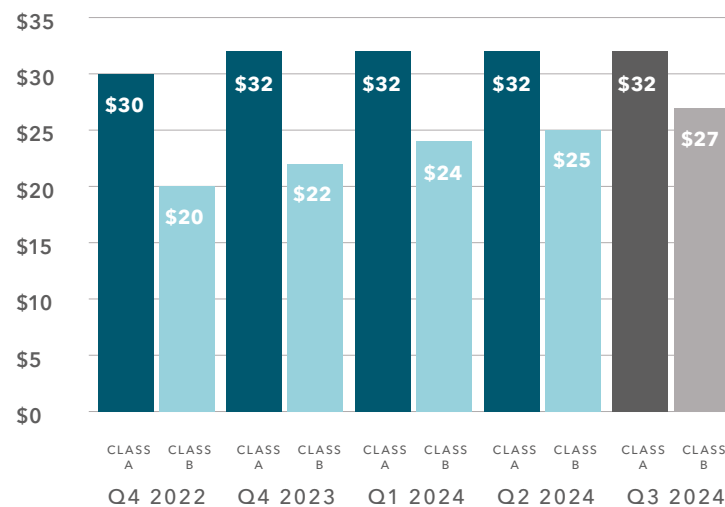
MARKET SALE PSF



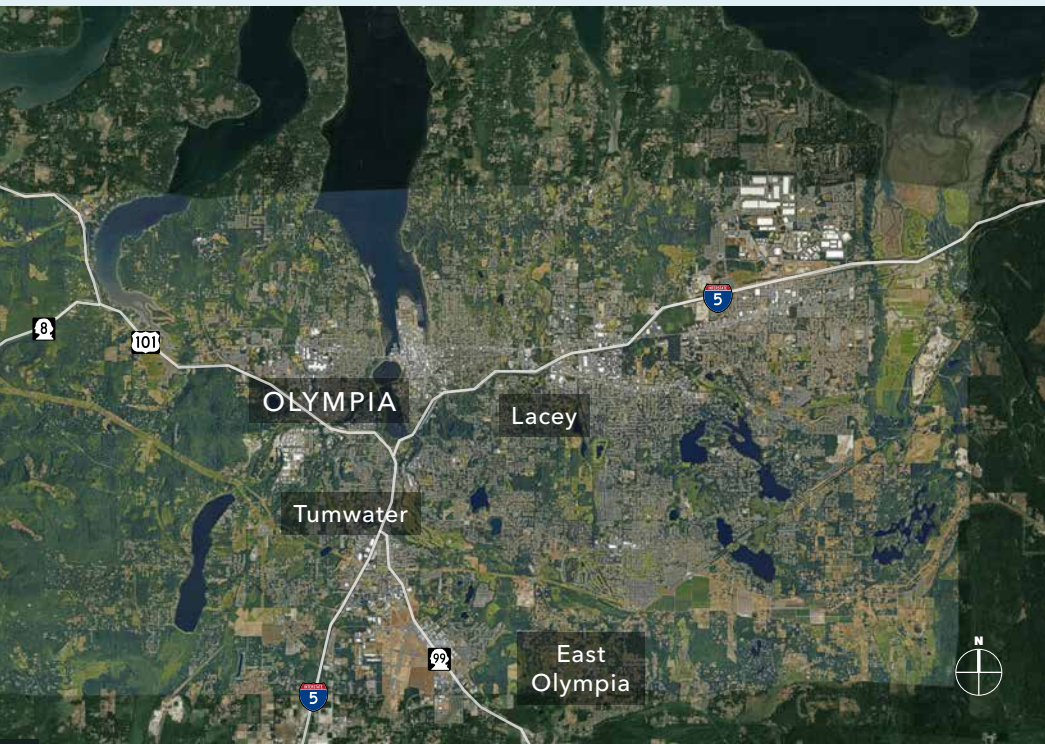
Vacancy Rate



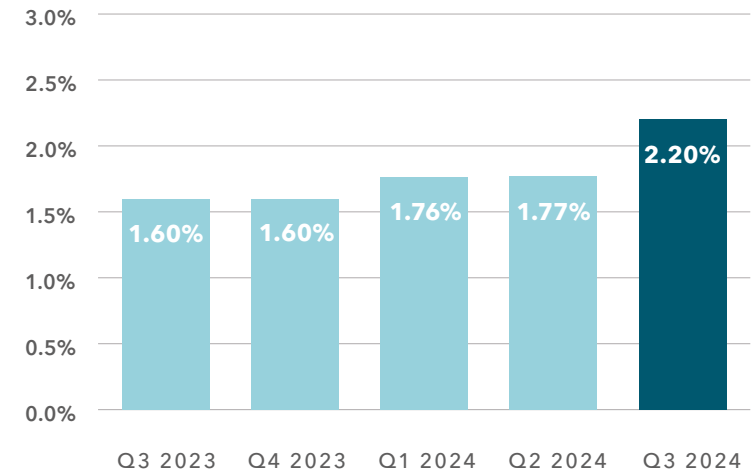
Average Asking Rent PSF NNN



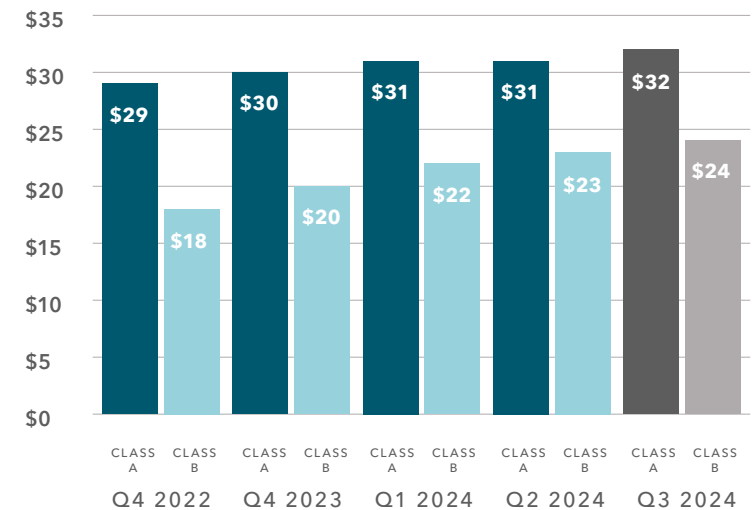
1.1M INVENTORY SF	24,168 VACANT SF	6.50% ANNUAL RENT GROWTH
2.20% VACANCY RATE	10.30% MARKET CAP RATE	\$245 MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



MEET THE *TEAM*

Office & healthcare experts specializing in landlord and tenant representation, as well as sales, including investment and owner/user.

As members of the Kidder Mathews Healthcare and Office groups, we have completed over \$300,000,000 in sales in the last 36 months and actively represent more than 3 million square feet of property that we pride ourselves on keeping leased. We care deeply about our clients and always strive to go above and beyond to create successful long-term partnerships.

Kidder Mathews is the largest independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Arizona, and Nevada.

410

TRANSACTIONS

\$650M

TOTAL VOLUME

5.5M+

TOTAL SF

\$300M *transactions within the last 36 months*

WILL FRAME

Executive Vice President,
Shareholder

2018-2019 & 2021-2022
KM "Big Hitter" award winner
and Top Producer

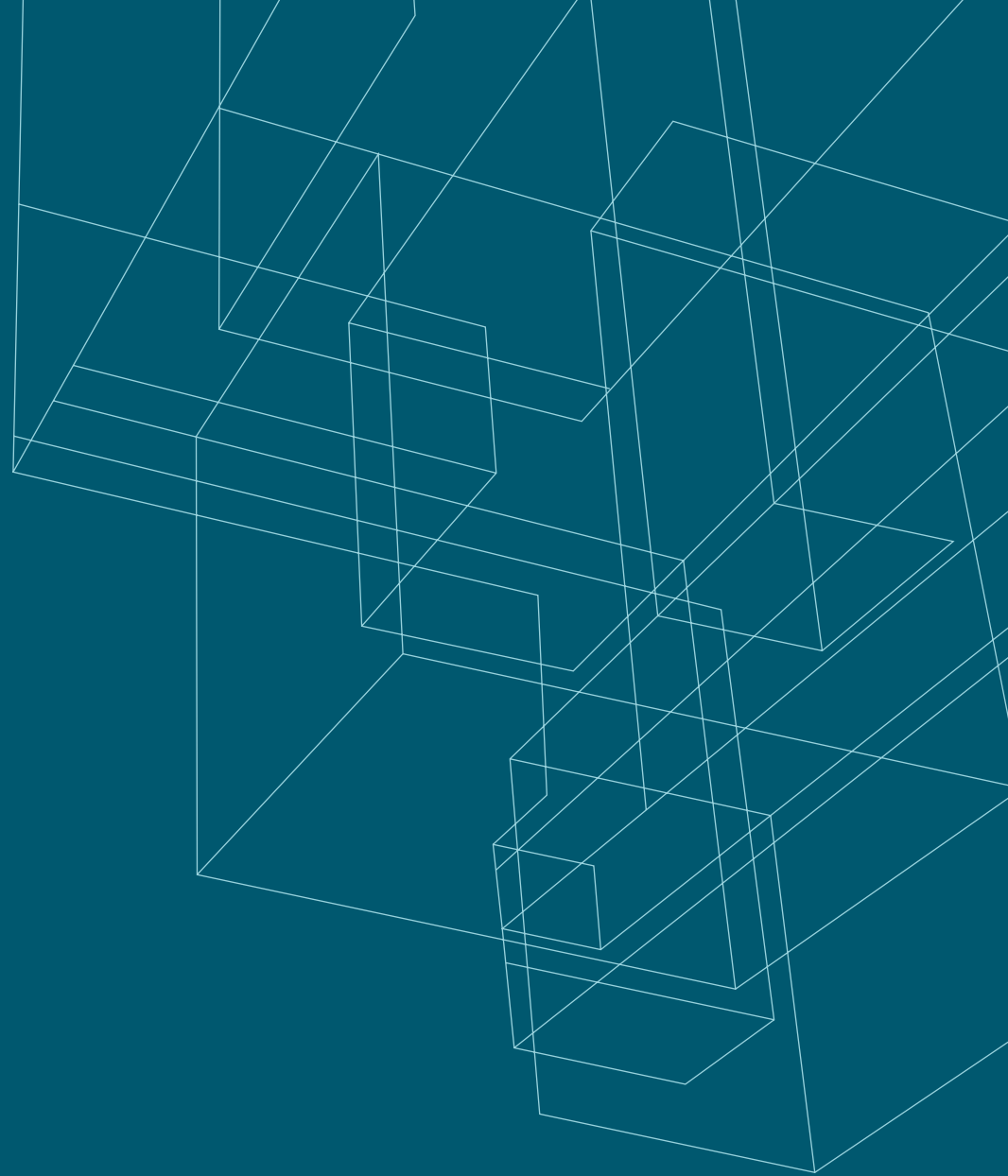


DREW FRAME

Senior Vice President,
Shareholder

2018-2019 & 2021-2022
KM "Big Hitter" award winner
and Top Producer





Prepared by

WILL FRAME

Executive Vice President
253.722.1412
will.frame@kidder.com

DREW FRAME

Senior Vice President
253.722.1433
drew.frame@kidder.com

KMTEAMFRAME.COM
KIDDER.COM